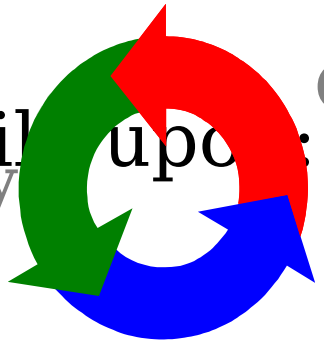
Approved Acquisition Objective Process-
A New Process

Agenda

- Definitions
- Historical Reference
- 6 Components of an AAO & Recent Policy Changes
- AAO Generation Process and Total Force Structure Management System Impact
- Tailoring the AAO

Definitions

- Acquisition Objective: A recommended allowance of an item for peacetime and wartime requirements to equip and sustain the Marine Corps
  - Comprised of Class II (Individual Equipment Items) and Class VII (Principal End Items)
  - Based primarily upon:



Policy

Definitions (Cont.)

- AAO: An approved allowance of an item for peacetime and wartime requirements to equip and sustain the Marine Corps

- Tailored AAO: An AAO that has been reviewed by the AAO IPT and approved by the MROC.

- AAO Integrated Product Team (IPT): MROC-endorsed panel composed of representatives from appropriate functional disciplines to review, validate and recommend adjustments to AAO quantities, as well as to provide

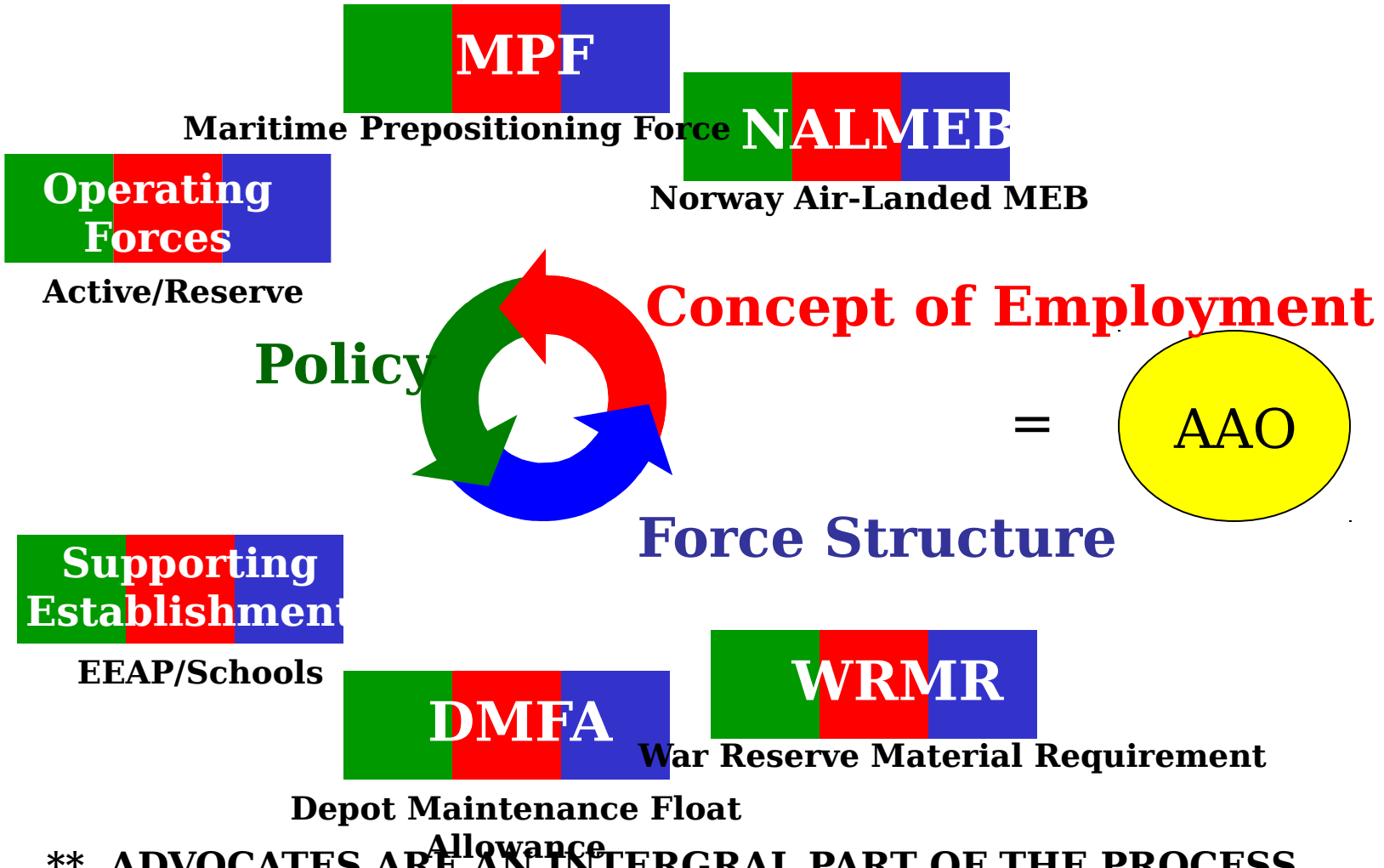
Historical Reference

- MCO 4490.1 *Ground Class VII Material Requirements Determination; Approved Acquisition Objective*
- 1999- AAO Process Development IPT
- MROC Approves Tailoring Methodology
  - 6 Mar 2001/MROC DM 14-2001
- MROC Approves POA&M
  - 3 Apr 2001/MROC DM 17-2001
- 4 AAO IPT Tailoring Sessions held to date

Historical Reference (Cont.)

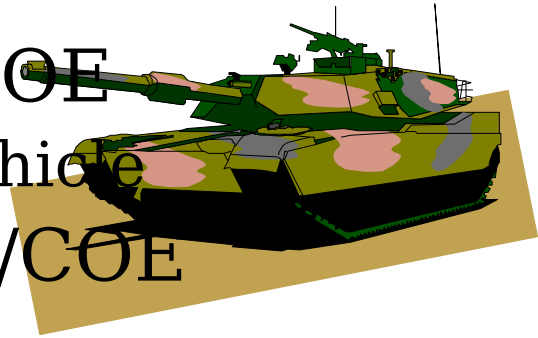
- MROC Amends Charter to add Retirement/Dis- investment Initiative; Approves Retirement/Dis- investment Methodologies
  - 19 Mar 2002/MROC DM 18-2002
  - 23 Jul 2002/MROC DM pending

Components of an AAO



** ADVOCATES ARE AN INTERGRAL PART OF THE PROCESS

Operating Forces and SE



- Allowances derived from the COE
  - X number per battalion, team, vehicle
- Force Structure matched up w/COE
  - operator/maintainers MOS
- Develop requirement at 100% of Force Structure (T/O&E)
- Reserves are complementary or mirror-imaged to the active MEFs
- Schools allowances based on throughput

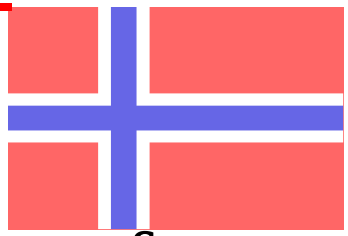
Policy changes: EEAP quantities being established from the Operating Forces nd or Reserves (23 Jul 02 MROC stated EEAP sourced on 40-40-20 split by Operating Forces Default Reserves to largest active MEF quantity

Maritime Prepositioning

- Global Staging Platforms
- What Goes on depends on:
  - **Operating Force Input (NAVMC 2907)**
  - **Ship Space constraints**
  - **Prepositioning criteria**
    - **Generally no critical low density items**
    - **Materiel shelf-life less than 24-30 months**
    - **Anticipated preclusive maintenance requirements <36 months?**

Policy Change: Must Show That Requirement Will Fit On MPF Within Existing Cube/Weight Limitations (Trade-Off COAs) and Meets Prepositioning Criteria

Norway Air-Landed MEB



- Prepositioned equipment in Norway
- U.S. MOU between SECDEF and Minister of DEF in 1981
- PP&O/I&L oversight of NALMEB requirement
- Equipment also used in support of EUCOM operations and exercises.
- Used as part of MARFOREUR Theater Engagement Plan.
- Out of Area policy

Policy Change: No New Capability To NALMEB without I&L/PP&O endorsement; Modernization/PIP/SLEP of Existing Capability on a One-for-One Basis

Depot Maintenance Float

- Maintain readiness in Operating Forces
  - 5th Echelon Maintenance and Washouts
- MATCOM develops requirement:
  - MEF/Reserve Allowances
  - Mean Repair Cycle Time
  - Transportation Time
  - Administration Time
  - Mean Time Between Overhaul

Policy change: Default DMFA to zero, justify any required quantities.

War Reserve Materiel

- Computation formula holder- MATCOM
- Combat loss replacement
- Two overlapping MTWs calculation
- WRMR calculating methodology:
  - MEFs/Reserves Allowances
  - Combat Active Replacement Factors (CARFs)
  - MPF Allowances
    - WRMR minus MPF = Net WRMR

Policy change: Default Net WRMR to zero.

AAO Generation Process

- TFSD is AAO process owner, will leverage technology through TFSMS to institutionalize the process.
- Contact Mr. Rich Clark/Maj Mike Curtin @ TFSD.
- Start at ORD initiation with COE and create metric for requirement
- TAMCN assigned and initiative entered in TFSMS
- Based on the COE, TFSD completes AO spreadsheet for Operating Forces, Reserves and SE components. (Coordinate with TECOM for SE ie. Schools and EEAP)
  - **EEAP requirement will be determined and documented, however will not be additive to the AO quantities.**

AAO Generation Process (Cont.)

- Forwarded to PP&O & I&L (as responsible agents, coordinating w/ MATCOM/BIC) to formulate MPF and NALMEB component.
- Forwarded to MATCOM to determine and justify of WRMR and DMFA quantities, using their formulas and SME.
- **AAO tailoring methodology applied to each component, justifying any recommendations that are contrary to default positions.**

AAO Generation Process (Cont.)

- Once all components are completed, the recommended AO with all justification resides in TFSMS.
- TFSMS is the authoritative source for the AO as well as the AAO.
- The ORD will reference that TFSMS maintains AO/AAO under the assigned TAMCN.
- The RO then Prepares the AO to for tailoring.

AAO Management

- Every new start as well as legacy systems will be tailored.
- In TFSMS all TAMCN’s will include a flag to indicate if and when they were tailored.
- AAO’s are a living requirement that will be modified due to force structure changes throughout their lifecycle.

AAO Tailoring Points

- Ensuring procurement of appropriate equip to meet requirement- may be increased (not just cutting)
- Mission Statement of Item
- Program Description & COE
  - A COE with metric applied does much better than a nebulous, verbose statement (Ex: employed by the squad leader in every Infantry Bn; by all vehicle commanders in mechanized units; by every Comm Operator within the MWCS; etc.)
  - If ratio is known for replacement of an item, state so & why
- Item replacing (if any)
- Interoperability with other programs/systems…try to tailor interoperable & “family of” systems together

AAO Tailoring Points (Cont.)

- Requirement document, date, and any applicable changes or Memos For Record concerning item
- Joint program or Joint Interoperable? Lead agency? Program problems?
- Picture is valuable if exists (Legacy especially)
- Program Background (Must be coordinated with PM; includes, but not limited to: ACAT Designation; New Start/Recompete/CORE/ Legacy System; USMC Milestones; Current AAO)

AAO Tailoring Points (Cont.)

- Program Alternatives (COTS? GOTS? Lease options? USMC Developmental Program?)
- Remanufacture Alternatives (PIP/SLEP? Rebuild current into new? Etc.)
- Other issues affecting Program (Justification for DMFA/WRMR; Ripple Effect on other PEI's if reduced, etc.)
- By unit fielding plan (absolutely critical…)
- Retention, retirement, or disinvestment?

Retirement/Disinvestment

- Review each end item for possible retirement/ disinvestment
- Three main categories for identification:
  - Immediate retirements with no replacements
  - Items that can be replaced within 1-3 years with COTS/ GOTS solutions
  - Items that can be replaced within 3-7 years by solutions that may require greater investment but pay dividends in terms of capabilities/supportability

Policy Change: Review every PEI for possible Retirement/Disinvestment.

Summary

- Endstate: AAO’s that meet the wartime and peacetime requirements of the Marine Corps, without buying excess.
- Professional, thorough tailored AAO on all requirements.
- Divestiture of requirements/equipment that prevent moving forward through fiscal and resources draining.
- Enhanced team-building to achieve all goals.

Backup Slides

Membership of AAO IPT

- Following Organizations Participating:

  (1) Marine Corps Combat Development Command (Chair)

  (2) Plans, Policies, and Operations

  (3) Aviation

  (4) Installations and Logistics (LP)

  (5) Installations and Logistics (LF)

  (6) Materiel Command (MATCOM)

  (7) Training and Education Command (TECOM)

  (8) Programs and Resources

  (9) Systems Command (Non-voting Member)

  (10) Associate Members (Non-voting Invitees): Includes MARFORs,

  C4, Intel, and others as Required

Tailoring Methodology for the AAO

1. *COE/COD*. Are there alternative concepts of employment/distribution that would reduce the initial issue quantity as either smart business or at an acceptable level of risk?

Political Default to Largest MEF quantity

2. *RESERVES*. What is the concept of employment for the reserves? As complete units, detachments, or individual augmentees? Do/should reserve allowances mirror active forces? Is it feasible to restrict reserve quantities to Training Allowances and fully or partially decrease procurement of assets that would remain in the supply system?
3. *COMBAT ALLOWANCES*. How do quantities for combat operations compare with peacetime training/deployment requirements? Is it feasible to restrict active force on-hand quantities to peacetime requirements and partially decrease the residual assets that would remain in the supply system?

Default to Zero

4. *DEPOT MAINTENANCE FLOAT*. Could DMFA be

Tailoring Methodology for the AAO

5. *ENHANCED EQUIPMENT ALLOWANCE POOL*. Can the item be transported from unit locations or otherwise provided for by assets held within the supply system rather than procuring EEAP dedicated assets? Can equipment come from the MEFs and Reserves to support the EEAP?

Field from OpForce Reserves

6. *NORWAY PREPOSITIONING*. Is the item essential for Norway operations?

Default

7. *GLOBAL SOURCING/MEF TAILORING*. Are there variations in MEF missions or other factors that would suggest global sourcing or non-mirror imaging?
8. *COMMERCIAL EQUIVALENTS*. Can procurement of any portion of the AAO be foregone as a function of readily available commercial substitutes?
9. *HIGH DENSITY*. Does the aggregate number of systems by itself indicate any opportunities for reduction (schools, test activities, pooling, etc.)

Tailoring Methodology for the AAO

Trade-offs

10. *MPF*. Has coordination been effected to show space/weight trade-offs? Does item meet Prepositioning Criteria per MCO P3000.17A? Is it critical for combat ops for first 30 days?

11. *RETIREMENT/DISINVESTMENT.* Can/should the item be retired/disinvested per MROC approved methodologies?